


SEP 30 2005



UNITED STATES DEPARTMENT OF COMMERCE
Chief Financial Officer and
Assistant Secretary for Administration
Washington, D.C. 20230

MEMORANDUM FOR Principal Human Resources Managers
Servicing Human Resources Managers

FROM: Deborah A. Jefferson 
Director for Human
Resources Management

SUBJECT: End-of-Year Guidance for Senior Employees

As you are aware, the Department received a second provisional certification for the Department's Senior Executive Service (SES) Performance Management System from the Office of Personnel Management (OPM) and the Office of Management and Budget (OMB) for calendar year 2005. This certification was obtained after OPM and OMB reviewed the results of the performance management cycle for calendar year 2004. These results substantiated that the Department made meaningful distinctions, based on relative performance, thereby strengthening the link between performance and pay.

Some key features of the Department's SES Performance Management System include:

- a five-level summary rating system;
- executives with a fully successful or higher rating are eligible for performance-based pay level adjustments and bonus awards;
- ceilings, established by rating level, for performance-based pay adjustments and bonus awards;
- a requirement to establish a bureau process to review of ratings and expectations of senior employees' subordinates to verify that supervisory employees make performance distinctions of subordinates that reflect individual and organizational performance.

Attachment A outlines the Department's pay policy for the SES and SL/ST end of year process. Attachment B is the timeline indicating due dates for specific end of the year activities. Organizational assessment data will be transmitted to bureaus on October 26, 2005, from the Department Executive Resources Board (DERB). No rating recommendations should be finalized prior to receipt of bureau organizational assessments as, by regulation, they must serve as a basis for individual performance evaluations, as appropriate.

In accordance with my memorandum dated September 8, 2005, bureau CFO initial ratings from immediate supervisors must be forwarded to the Department's Deputy CFO's office no later than October 26, 2005. To further clarify the process, bureaus are responsible for rating CFOs on the core critical elements, entitled "Leadership/Management" and "Customer/Client Service

Responsiveness,” and all bureau specific critical elements. These elements will account for 75 percent of the overall rating. The Deputy CFO will rate the critical element entitled “Financial Operations and Management,” which focuses on support of Department and Government-wide goals. Those financial issues internal to the bureau, and other administrative matters, remain the management responsibility of the bureau supervisor for rating purposes. All performance plans must include the required Financial and Operations Management critical element weighted at 25 percent. After this element is evaluated by the Deputy CFO, the rating package will be sent to me and reviewed by the Departmental Performance Review Board, rather than the bureau PRBs. The final recommendation of the DPRB will be provided to the bureau head by me on November 4, 2005.

All bureau recommendations must be input into the Executive Resources Information System and 1 copy of the performance plan and 6 copies of the standardized performance justification summary sheet (in alphabetical order) must be submitted to me no later than November 7, 2005. The justification form is available at <http://ohrm.os.doc.gov/SES/index.html>.

The Deputy Secretary will perform the Senior Official Assessment role required by regulation. In that regard he must certify that:

- the Department’s appraisal process makes meaningful distinctions based on relative performance;
- results take into account, as appropriate, the agency’s assessment of its performance against program performance measures; and
- pay adjustments, bonus awards, and levels of pay accurately reflect and recognize both individual and organizational performance.

Bureau Performance Review Boards (PRBs) must continue to be diligent in their reviews. PRBs must look at the linkage to strategic goals, alignment, and performance distinctions in executive’s subordinate ratings as well. I again strongly recommend that you designate, at the bureau level, an official to ensure that the above assessment criteria is met, especially in cases for outstanding ratings and for performance-based pay adjustments above Level III of the Executive Schedule.

Please remind rating/approving officials and executives that bonus, performance-based pay adjustments, and other salary recommendations are not final until approved by the Secretary. No feedback may be given verbally or in writing regarding recommendations until they are approved by the Secretary because bureau recommendations are not binding and, therefore, should not be released.

Attached are guidelines and time lines for senior employee activities occurring in the months ahead.

The documents attached are:

- A. SES Departmental Pay Policy Summary
- B. Timetable for End-of-Year SES Activities

- C. Guidelines for Operating Unit Performance Review Boards
- D. Criteria for Review of Performance Appraisals/Ratings
- E. SES Bonus Policy and Procedures
- F. Pay Rate Adjustment and Other Salary Adjustment Pay Policy
- G. Adverse Action Procedures for Career SES Members Who Fail to Meet Performance Requirements
- H. Presidential Rank Awards

The Department's performance management systems hold senior employees accountable for their individual and organizational performance, drives organizational excellence and results, and improves overall efficiency by:

- Linking performance expectations to the agency's mission (**Alignment**)
- Communicating expectations between the rating official and employee (**Consultation**)
- Focusing performance on tangible outputs, outcomes or other deliverables (**Results**)
- Including balanced measures or indicators of results, customer/stakeholder feedback and competencies/behaviors necessary to distinguish outstanding performance in performance expectations (**Balance**)
- Reflecting performance expectations and assessment of agency performance in agency performance ratings (**Accountability**)

Please provide Mary King, Director, Office of Executive Resources, with the name of the contact that will be entering pay and bonus data for your organization no later than October 14, 2005. Please ensure that your staff carefully follows all prescribed guidelines. If you have questions, please call Mary King at (202) 482-3321.

Attachments

Attachment A

Department of Commerce Senior Executive Service Pay Policy Summary

The Department of Commerce (DOC) decisions on setting and adjusting rates of basic pay for Senior Executive Service (SES) members are based on individual performance and/or contribution to the agency's performance as determined under a rigorous performance management system. This policy is consistent with the final regulations on performance-based SES pay, effective December 6, 2004.

The DOC SES Performance Management System has 5 summary performance levels defined as: Outstanding, Commendable, Fully Successful, Minimally Acceptable, and Unsatisfactory.

DOC SES Performance-based related pay adjustment eligibility:

Executive's current performance rating is at least fully successful (Level 3) or equivalent, and the senior executive has had performance ratings of at least fully successful or equivalent for the past two years.

An element rating of at least 3 (or equivalent) or higher has been received, for each performance element in the senior executive's current performance plan.

The senior executive has not had an SES performance-based pay increase or decrease during the past 12 months. Performance-based adjustments will only be considered if the executive has been at his/her rate of basic pay for one full year prior to January 1.

DOC SES Performance-based pay adjustment criteria:

Ceilings were established for performance-based pay level adjustments and senior employees may receive up to 2 percent for a fully successful rating; up to 4 percent for a commendable rating; and up to 6 percent for an outstanding rating.

DOC SES Bonus Pool:

DOC pool - 7 percent of aggregate salaries of career executives as of September 30.

Pool amounts are calculated by separate program areas; prorated to provide for discretionary funds for distribution by Departmental Executive Resources Board (DERB) recommendations to the Secretary of Commerce.

DERB may adjust to individual pools as long as the agency 7 percent funding maximum is maintained.

DOC Pay Policy Summary

Page 2

DOC SES Bonus Awards:

Career executives can receive, at a minimum 5 percent, up to 20 percent of base salary.

Ceilings were established for payment of performance bonuses. The agency has discretion to nominate career SES employees for bonuses as follows: 5 percent for a fully successful rating; up to 15 percent for a commendable rating; and up to 20 percent for an outstanding rating.

DERB Process Decisions for Rates of Basic Pay and Bonuses:

Executives must be employed with the Department for six months of the rating cycle, and have not had a pay adjustment for one full year prior to January 1, to be eligible for a performance-based pay adjustment.

Executives must have been in the SES for one year to be eligible for a performance-based pay adjustment.

Bonuses for executives will be prorated by the amount of time the executive has either been in the Department or in the SES.

Bonuses will be granted to retiring or retired SES members only in exceptionally meritorious situations.

Only the Department's highest performing executives will be paid above the rate for Level III of the Executive Schedule (\$149,200 in 2005), and up to the rate for Level II of the Executive Schedule (\$162,100 in 2005).

Attachment B

Revised Timetable for End-of-Year Senior Employee Activities

| | |
|---------------------------|--|
| September 30, 2005 | End-of-Year Guidance issued |
| September 30, 2005 | End of FY 2005 Senior Employee performance cycle |
| October 3, 2005 | Bureaus provide Departmental Chief Financial Officer and Assistant Secretary for Administration (CFO/ASA) with bureau organizational assessment data based on GPRA, PART and PMA scorecard measures |
| October 21, 2005 | Executive Resources Information System (ERIS) populated via download from the National Finance Center (NFC) and forwarded to the Operating Units (OUs) |
| October 26, 2005 | Organizational assessment guidance issued to bureaus as required by OPM regulations |
| October 26, 2005 | Recommended rating and appraisal for bureau CFOs sent by bureaus to Department's Deputy CFO for evaluation under "Financial Operations and Management" critical element, which is 25 percent of overall rating |
| November 1, 2005 | Bureaus provide recommended ratings and performance-based pay increase/bonus amounts to bureau operating Performance Review Boards (PRB). Office of the General Council (OGC), Chief Information Officer (CIO), CFO/ASA and Office of the Secretary (OS) provide recommended ratings to Director, Office of Human Resources Management (OHRM) for Office of the Secretary PRB review |
| November 2, 2005 | Departmental Performance Review Board (DPRB) reviews bureau CFO recommended ratings and Deputy CFO element rating |
| November 3, 2005 | Results of DPRB review of bureau CFOs provided to bureau heads by Director, OHRM |
| November 4, 2005 | Results of OS PRB review provided to OGC, CIO, CFO/ASA, and Office of the Secretary by Director, OHRM |
| November 7, 2005 | <p>Bureaus, OUs, and OGC, CIO, CFO/ASA, and Office of the Secretary complete bonus and performance-based pay adjustment review process, and submit final recommendations to the Director, OHRM</p> <p>Secretarial Officers submit recommendations for bonuses and performance-based pay adjustments (with appraisals and narrative justifications), Presidential Rank Award nominations, and recommendations for performance awards greater than \$5000 for General Schedule or equivalent employees, to the Director, OHRM, for the Departmental Executive Resources Board (DERB) review</p> <p>Principal Human Resource Managers forward performance ratings of executives requesting higher level review to the Director, OHRM</p> |

Revised Timetable for End-of-Year Senior Employee Activities

| | |
|--|---|
| November 14, 2005 | The Departmental Performance Review Board (DPRB) will perform the higher level review for executives who exercise this option and for which no level exists in the bureau or OU. DPRB completes review of performance ratings of executives requesting higher level review and forwards recommendations to the Secretarial Officers for consideration |
| November 29-30, 2005 December 2 & 6, 2005 | DERB meets and finalizes recommendations on bonuses and performance-based pay adjustments for the Director, OHRM |
| December 8, 2005 | Final decisions made by the Secretary of Commerce |
| December 9, 2005 | Bureaus notified by Director, OHRM, of final decisions and Director, OHRM, electronically transmits approved information to NFC |
| December 22, 2005 | FY 2005 SES Bonus awards paid by NFC |
| January 2006 | Performance-based pay adjustments processed |

Attachment C

Guidelines for Bureau and Operating Unit (OU) Performance Review Boards (PRBs)

This attachment highlights the process PRBs must follow to meet Civil Service Reform Act, Defense Authorization Act of 2004, Office of Personnel Management implementing regulations and Departmental requirements. These guidelines should be supplemented by specific bureau and OU requirements defined in individual charters.

PRBs must continue to be diligent in the review process to ensure meaningful distinctions based on relative performance, thereby strengthening the link between performance and pay. PRBs must look at linkage to strategic goals, alignment, and performance distinctions in executive's subordinate ratings as well.

PRBs review initial summary ratings and recommendations, and make recommendations to appointing authorities for:

1. Final annual summary ratings;
2. Retention, reassignment, transfer;
3. SES bonuses;
4. Performance-based pay adjustments for SES, SL, or ST positions;
5. Presidential Rank Awards; and
6. Performance awards greater than \$5000 for GS or equivalent employees.

In their review process, PRBs must consider the OPM criteria (Attachment D) as well as the bureau organizational assessment. Particular attention should be given to Alignment, Consultation, Results, Balance, Accountability, Performance Differentiation and Pay Differentiation.

Higher Level Review

The senior professional may ask for a higher level official to review the initial summary rating before the initial rating is given to the PRB. The senior professional is entitled to one higher level review. A request to the servicing Human Resources Manager must be made within 10 calendar days after receipt of the initial rating.

Recommendations to Secretarial Officers and Heads of Operating Units

- ▶ Written recommendations regarding senior employee appraisals and ratings must be made to the appropriate Secretarial Officer and/or Head of the Operating Unit. The PRB's recommendations are not binding. When the PRB does not concur with the initial summary rating, or when there is a record of disagreement with the rating by the employee or the reviewing official, the PRB's recommendations must include a written justification.
- ▶ All bonus recommendations must comply with Departmental requirements and deadlines. (See Attachments B and E)
- ▶ Only career senior executives and Senior Level (SL) and Scientific and Professional (ST) employees are eligible to receive bonuses. The PRB must make recommendations to the Secretarial Officer and/or Head of the Operating Unit as to which senior employees should receive a bonus award and the percentage. Consideration for a bonus award should be based only on the rating for the current appraisal period (Fiscal Year 2005).

PRB Membership Restrictions

Although additional restrictions may be listed in the charters, at a minimum, members shall not participate in a performance appraisal review when they are:

- ▶ One of the senior executives being reviewed;
- ▶ The rater of the senior executive whose performance is being reviewed; or
- ▶ The direct subordinate of the senior executive whose performance is being reviewed.

In order to participate in Board deliberations, each member must have a current performance rating of fully successful or higher.

Each PRB, at a minimum, must have a member who is not under the jurisdiction of the Secretarial Officer or Head of the Operating Unit.

Attachment D

Criteria for Review of Performance Appraisals and Ratings

Performance appraisals, initial summary ratings, senior employees' written responses, if any, and recommended bonuses and pay adjustments are to be reviewed and compared to criteria identified in PRB charters and assessed for conformance to Office of Personnel Management (OPM) criteria.

Office of Personnel Management Criteria

- ▶ **Alignment** - Performance expectations are linked to or derived from the agency's mission, strategic goals, program/policy objectives, and/or annual performance plan.
- ▶ **Consultation** - Performance expectations are based on senior employees' involvement and input and were communicated to the employee at the beginning of the appraisal period and appropriate times thereafter.
- ▶ **Results** - Performance expectations for senior employees apply to their respective areas of responsibility; reflect expected agency or organizational performance; clearly describe performance that is measurable, demonstrable, or observable; and focus on tangible outputs, outcomes, milestones, or other deliverables.
- ▶ **Balance** - Performance expectations for senior employees include appropriate measures or indicators of results; customer/stakeholder feedback; quality, quantity, timeliness, and cost effectiveness as applicable; and competencies or behaviors that contribute to and are necessary to distinguish outstanding performance.
- ▶ **Assessment and Guidelines** - The agency head, or designee, provides assessments of performance of the agency overall, as well as each of its major program and functional areas, such as GPRA goals and other program performance measures and indicators, and evaluation guidelines issued and based, in part, upon those assessments provided to senior employees, senior employee rating and reviewing officials, and PRB members. Assessments and guidelines are to be provided at the conclusion of the appraisal period but before ratings are recommended.
- ▶ **Oversight** - Rigorous oversight of the appraisal process is provided by the agency head, or designee who certifies that: 1) the senior employee appraisal process makes meaningful distinctions based on relative performance; 2) results of the process take into account, as appropriate, the agency's assessment of its performance against program performance measures; and 3) pay adjustments, cash awards, and levels of pay accurately reflect and recognize both individual and organizational performance.

Criteria for Review of Performance Appraisals and Ratings

- ▶ **Accountability** - The senior employee's rating (as well as subordinate employee's performance expectations and ratings for those with supervisory responsibilities) appropriately reflect the employee's performance measures, and any other relevant factors.
- ▶ **Performance Differentiation** - 1) the appraisal system includes a rating level that reflects outstanding performance and provides for clear differentiation of outstanding performance, as defined in the regulations; and 2) the appraisal process results in meaningful distinctions in relative performance based on senior employees' actual performance against rigorous performance expectations. "Relative performance" in this context does not require ranking senior employees against each other. Indeed, such ranking is prohibited for the purpose of determining performance ratings. Rather it is defined as the performance of a senior employee with respect to the performance of other senior employees, including their contribution to agency performance, where appropriate, as determined by the application of a certified appraisal system.
- ▶ **Pay Differentiation** - Individual pay rates and pay adjustments, as well as their overall distribution, reflect meaningful distinctions among executives based on their relative contribution to agency performance. Agencies must ensure transparency in the process for making decisions. The highest performing senior employees should receive the largest pay adjustments and/or highest pay levels (including both basic pay and performance awards), particularly above the rate for Level III of the Executive Schedule. In this regard, **it is expected that there will be few recommendations for a pay increase from Executive Level III to Executive Level II.**

Other Factors

- ▶ **Balanced measures** - Refers to an approach to performance measurement that balances organizational results with the perspectives of other distinct groups, such as customers, stakeholders, and employees. The Balanced Measure approach includes: 1) the Employee perspective which focuses attention on the performance of the key internal processes that drive the organization. This perspective directs attention to the basis of all future successes - the organizations's people and infrastructure; 2) the Customer perspective which considers the organizations's performance through the eyes of a customer, so that the organization retains a careful focus on customer needs and satisfaction; and 3) the Business perspective which considers *outcomes*, or social/political impacts which define the role of the agency/department within the government and American society, and the *business processes* needed for organization efficiency and effectiveness.
- ▶ **Effect of Minimally Acceptable or Unsatisfactory Rating for a Critical Element** Minimally acceptable or unsatisfactory performance ratings for individual critical elements must not result in an overall rating of Fully Successful or higher.

Attachment E

SES Bonus Policy and Procedural Guidelines

- ▶ Bonuses are limited to a funding distribution equal to 7 percent of the Department's aggregate payroll for career executives on board as of September 30, 2005.
- ▶ Bonus amounts are computed as a percentage of base salary.
- ▶ Minimum and maximum bonus percentages are as follows:

| | |
|------------------|----------------|
| Outstanding | 5 - 20 percent |
| Commendable | 5 - 15 percent |
| Fully Successful | 5 percent |
- ▶ The Department will provide OUs with bonus pool amounts.
- ▶ 2005 Distinguished Rank Award recipients are not eligible for a bonus because the Rank Award constitutes 35 percent of base pay.
- ▶ Meritorious Rank Award winners may receive performance awards in the same calendar year up to the amount that combined with the Rank Award does not exceed 35 percent of pay.
- ▶ In order to be considered for a bonus, an SES member must receive a final summary performance rating of fully successful or higher.
- ▶ The Deputy Secretary is responsible for certifying that the SES appraisal process makes meaningful distinctions based on relative performance; that results of that process take into account, as appropriate, the agency's assessment of its performance against program performance measures; and that pay adjustments, cash awards, and levels of pay accurately reflect and recognize individual and organizational performance. His decisions will be based on recommendations furnished by the DERB.
- ▶ Following individual PRB reviews and recommendations, Secretarial Officers may submit as many proposed recommendations for performance-based pay adjustments and bonuses as they consider to be justified under the new certification guidance.
- ▶ Justifications must reflect individual responsibility and performance in the accomplishment of organizational objectives, including the two mandatory critical elements (Leadership/Management and Customer/Client Service Responsiveness) that are required for all senior executives. **The narrative justification must be written by the supervisor, not by the executive being recommended. Only 1 justification is required for both performance-based pay adjustment and bonus recommendations. A Performance Justification Summary sheet is attached (Attachment E1) and must be used for the justification summary.**

SES Bonus Policy and Procedural Guidelines

- ▶ In accordance with the Department's timetable (See Attachment B), **for each nominee, submit just 1 copy of the completed, signed performance plan and appraisal and 6 copies of Attachment E1 the justification summary (basis for pay and/or bonus recommendations). The standardized format includes: the bureau name, nominee's name, title, and a statement certifying that the nominee is not under consideration for a Presidential Rank Award, which will be paid out during the same calendar year.**
- ▶ Recommendations must be received by the due date. Bonus recommendations must be forwarded to the Department by the bureau's Secretarial Officer or the Head of the OU. Requests for approval of bonuses from units within the Economics and Statistics Administration and Technology Administration must be forwarded to the Department by the respective Under Secretary.
- ▶ The members of the DERB review the annual summary ratings and the required narrative justifications submitted by the Secretarial Officers in support of the bonus recommendations.
- ▶ During its deliberations, the DERB may request that the Secretarial Officer make personal presentations to justify Presidential Rank Award Nominations, performance-based pay adjustments, or bonus recommendations.
- ▶ Secretarial decisions on all performance-based pay adjustments and bonuses will be made as indicated in the timetable. Secretarial Officers and Heads of OUs shall not make any announcements regarding pay adjustments, bonus awards, or Presidential Rank Awards until the Director, OHRM, has confirmed Departmental or Presidential approval has been received.
- ▶ All SES bonus payments will be electronically transmitted to the NFC and will be received in the same manner as the executive's payroll check.

U.S. Department of Commerce
FY 2005 Performance Management Cycle

Performance Justification Summary

Bureau: _____
Senior Executive/Professional Name: _____
Position Title: _____
Recommended Rating: _____
Pay Adjustment percentage _____ New Salary Level _____
Bonus percentage _____
Check if nominee is under consideration for a Presidential Rank Award _____

(Begin Justification/Narrative Summary here – not-to-exceed 2 pages)

Attachment F

SES Performance-Based Pay Adjustment Guidance

A. The following guidelines are to be used when recommending an SES performance-based pay adjustment:

- ▶ A senior executive who receives an annual summary rating of Outstanding performance must be considered for an annual pay increase, subject to the limitation of the maximum rate of base pay in 5 CFR 534.403(a)(2).
- ▶ The senior executive's current performance rating is at least fully successful (Level 3) or equivalent, and the senior executive has had performance ratings of at least fully successful or equivalent for the past 2 years.
- ▶ For each performance element in the senior executive's current performance plan, he/she received an element rating of at least 3 (or equivalent) or higher.
- ▶ The senior executive has not had an SES performance-based pay increase or decrease during the past 12 months.
- ▶ SES performance-based pay adjustments recommended during the performance bonus/rating cycle will not be considered unless the senior executive has been with the Department for six months of the rating cycle and at his/her level for one year prior to January 1.

B. All recommendations for performance-based upward pay adjustments must be submitted to the Director, OHRM and include:

- ▶ Six copies of the Performance Justification Summary sheet, written by the supervisor, not by the senior executive being recommended;
- ▶ A copy (only) of senior executive's current performance appraisal and rating; **do not submit the original plan to OHRM**; and
- ▶ PRB approval of the recommendation, as shown by signature on the last page of Form CD-516.

C. Decisions concerning SES performance-related downward pay adjustments are limited to no more than 10 percent of base pay and will be made at the discretion of the Secretarial Officer, with prior consultation with the Director, OHRM, and approval of the DERB.

Other Salary Adjustments

Performance-based pay adjustments for Senior Level (SL), or Scientific and Professional (ST) executives must also be submitted for approval of the DERB, using the required Performance Justification Summary sheet (Attachment E1), for the narrative justification written by the supervisor, not by the senior executive being recommended.

Attachment G

Adverse Action Procedures for Career SES Members Who Fail to Meet Performance Requirements

Coverage - Career SES members who have completed the probationary period, if required, and who are not re-employed annuitants.

Removal Due to Failure to Meet Annual Performance Requirements

- ▶ One unsatisfactory rating requires reassignment or transfer within the SES, or removal from the SES.
 - ▶ Two unsatisfactory ratings within any period of 5 consecutive years require removal from the SES.
 - ▶ Two less than fully successful ratings in any period of 3 consecutive years require removal from the SES.
1. Notice in writing is required at least 30 days before the effective date of the removal action. The notice shall include:
 - ▶ the basis for the action;
 - ▶ the executive's placement rights;
 - ▶ the executive's right to an informal Merit System Protection Board (MSPB) hearing;
 - ▶ the effective date of removal;
 - ▶ (If applicable) the appointee's eligibility for immediate discontinued service retirement in lieu of placement rights.
 2. Fallback position to a GS-15 will be identified.
 3. Informal hearing before MSPB is available at the employee's request at least 15 days before the effective date of removal.
 4. Removal for less than fully successful performance cannot be made effective within 120 days after the appointment of a new Secretary of Commerce or the appointment of the career appointee's most immediate supervisor who is a noncareer appointee and has the authority to remove the career appointee (i.e., the Secretarial Officer). This restriction does not apply when the career appointee has received a final rating of Unsatisfactory under the Department's performance appraisal system before the appointment of a new agency head or Appointing Authority.

Attachment H

Presidential Rank Award Program Instructions

To recognize prolonged high quality accomplishment, the President awards the rank of Distinguished Executive, Distinguished Senior Professional, Meritorious Executive, and Meritorious Senior Professional each year to a select number of SES career executives and senior career professionals.

Distinguished Executive and Distinguished Senior Professional - Recognizes sustained extraordinary accomplishment and includes 35 percent of base pay.

Meritorious Executive and Meritorious Senior Professional - Recognizes sustained accomplishment and includes 20 percent of base pay.

The Department submits its nominations to OPM which administers the Presidential Rank Award Review Boards, composed of private citizens. There will be separate Review Boards for the SES nominations and the Senior Professional nominations. Each Board has three members who individually evaluate and rate the accomplishments described in the justification statement. Each member makes an independent judgment on the cases presented.

The Review Boards for the Distinguished Rank Awards meet in Washington, DC, usually in March or April. OPM conducts inquiries on all nominees for Distinguished Rank that the Review Boards recommend for approval, and pays the costs of these inquiries. Distinguished nominees who do not score high enough to be recommended for approval are referred to Meritorious Review Boards, if eligible. Review Boards for Meritorious Rank Awards meet in various locations across the country.

Submission Requirements

Nominations must be signed by the appropriate Secretarial Officer and Head of the Operating Unit before submission to the Department.

Each nomination must contain the following original documentation (and 4 copies), arranged in the order listed below:

- CD Form 590, Executive Personnel Transaction (available on the Commerce forms website), and signed by the Secretarial Officer or Head of the Operating Unit. Please be sure all information on this form matches exactly the data provided on the nomination form.
- Completed copy of the Presidential Rank Award Program Nomination Form. Each nomination form must be complete and legible.
- A brief paragraph (on a separate page) summarizing, in approximately 150 words, the major accomplishments which are cited in the justification statement. Each justification

statement should address the nominee's career accomplishments in terms of the selection criteria in a concise manner. The Presidential Rank Award Review Board members will evaluate the nomination against the same criteria. **This justification statement may not exceed 3 pages in length; longer justifications will be returned. Please spell out acronyms and abbreviations. DO NOT USE ANY STAPLES OR PAPER CLIPS IN THE NOMINATION FOLDER.** The summary heading should indicate the individual's name, title, and OU (Attachment H1).

- A summary data sheet listing rank nominees showing name, previous years' performance ratings, years of service with the Department, and previous recognition, including rank awards for which nominee was not approved (Attachment H2).
- The accounting classification code number to be used for payment of the award.
- Work phone and fax number for each nominee.

A nomination package should contain the following:

- **CD-590 with information on nominee**
 - **Appropriate nomination form signed by the Appointing Authority**
 - **Summary page (Attachment H1)**
 - **Performance and award history data (Attachment H2)**
 - **Accounting classification code for each nominee**
 - **Work phone number and fax number of nominee**
-

Bureaus must ensure that nominations meet OPM and DOC requirements exactly and all packages should be free of typographical errors. Nomination returns for rewrite or other corrections should be rare.

If you have questions concerning the Presidential Rank Awards Program or the nomination procedures, please call Terri Lucente, Human Resources Specialist, at (202) 482-1630.

Attachment H1
SAMPLE

[Full Name]
[Nominee's Title]
[Operating Unit]
Department of Commerce

John Adams has successfully increased productivity, reduced costs, and improved the quality of budgetary, administrative and management functions for the Office of Aviation. As Director of Budget, Finance, and Administration, he established a national finance center which saves over 500 staff hours annually. He developed a centralized accounting system which eliminated much of the duplication performed by departments and agencies. The Office's Strategic Planning Objectives System was instituted under Mr. Adams' leadership. He has successfully guided the application of new and improved audit techniques with emphasis on the greater use of modern analytical concepts such as graphic and computational analysis, statistical sampling, improvement curves, and computer support systems. During the past 2 years, he has streamlined his staff by more than 10 percent without impairing the quality and quantity of essential services. He designed and restructured the basic fund allocation and fund tracking system in the Office of Aviation, which provided control over the use of funds throughout the Agency. As a consequence of these efforts, the Office of Aviation has returned to taxpayers a 4 year average ratio of net savings to total operating costs of \$3 for each \$1 expended.

[Name of Operating Unit]

DISTINGUISHED NOMINATIONS

| NAME | RATING YEAR 05 | PRIOR RATINGS | | | YEARS OF SERVICE | PREVIOUS RECOGNITION |
|-------------------|----------------------|---------------|----|----|---------------------|---|
| | | 02 | 03 | 04 | | |
| 1. John Adams, | O | O | C | O | 17 | '04 - 15% Bonus '03 - Meritorious Rank |
| 2. Shirley Smith, | C | O | O | O | 12 | '04 - 10% Bonus '01 - Dist/Nominee/NS |

MERITORIOUS NOMINATIONS

| NAME | RATING YEAR 04 | PRIOR RATINGS | | | YEARS OF SERVICE | PREVIOUS RECOGNITION |
|-------------------|----------------------|---------------|----|----|---------------------|---|
| | | 01 | 02 | 03 | | |
| 1. Jane Brown, | O | O | O | O | 19 | '04 - 20% Bonus '03 - 15% Bonus '89 - Gold Medal '82 - Merit/Nominee/NS |
| 2. Frank Johnson, | C | C | O | O | 4 | '03 - 9% Bonus |

* When an executive received an SES bonus in the past, give the year and percent of the bonus as illustrated. Do not give the dollar amount.